

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES**

**Agenda Item Summary Sheet**

**Committee:** Academic and Student Affairs

**Date of Meeting:** June 21, 2011

**Agenda Item:** Charter School Report

Proposed  
Policy Change

Approvals  
Required by  
Policy

Other  
Approvals

Monitoring

Information

**Cite policy requirement, or explain why item is on the Board agenda:**

Board Policy 3.28 Charter School Sponsorship requires completion of an annual report about all charter schools sponsored by colleges and universities within the Minnesota State Colleges and Universities system.

**Scheduled Presenter:** Vice Chancellor Scott Olson

**Outline of Key Points/Policy Issues:**

In Minnesota, the charter school landscape is changing because of statutory provisions enacted in 2009 that set the stage to change sponsors to authorizers and shift the responsibility for approval of charter schools from the Minnesota Department of Education to authorizers. Current sponsors are in the process of seeking approval as authorizers, a process which must be completed by 2012.

**Background Information:**

Currently, charter schools are in operation in thirty-nine states and the District of Columbia. There are currently more than 4,900 charter schools in the U.S. with a total enrollment of more than 1.4 million students. According to the Minnesota Association of Charter Schools, approximately 35,000 Minnesota students are currently enrolled in 149 charter schools. During the 2009-2010 academic year, three colleges within the Minnesota State Colleges and Universities system sponsored five charter schools.

**BOARD OF TRUSTEES  
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

<b>INFORMATION ITEM</b>
<b>CHARTER SCHOOL REPORT</b>

**Charter School Sponsorship/Authorizer Annual Report  
Minnesota State Colleges and Universities  
Academic and Student Affairs  
June 2011**

**Introduction**

This report was prepared to meet the requirements of Board Policy 3.28 Charter School Sponsorship using information submitted by each institution within the Minnesota State Colleges and Universities system that is a sponsor/authorizer of one or more charter schools. It describes charter school activities and performance during the 2009-2010 school year.

**Background**

Charter schools are public schools established under Minnesota Statute 124D.10 as either a cooperative or a non-profit corporation. The first charter school in Minnesota, and in the nation, was approved in 1991 and became operational in 1992. Each charter school must have an elected board of directors, which is responsible for the school's education program, management, and administration, and an authorizer (previously sponsor), which can be a school district, a public or private postsecondary institution, or a nonprofit organization. Operating and reporting requirements for charter schools and the means by which an authorizer is approved by the Minnesota Department of Education and by which authorizers enter into and terminate contracts are articulated in MS 124D.10 and in rules and regulations promulgated by the Minnesota Department of Education. Authorizer/sponsorship contracts set forth responsibilities of and requirements for charter school boards and authorizers.

**Trends and Issues**

Currently, charter schools are in operation in 39 states and the District of Columbia. There are currently more than 4,900 charter schools in the U.S. enrolling more than 1.4 million students. According to the Minnesota Association of Charter Schools, there are currently 149 charter schools operating in Minnesota (2010-2011) with a total enrollment of approximately 35,000 (2009-2010). More than half of all Minnesota charter schools (57%) are now sponsored or authorized by non-profit organizations, with the remaining schools sponsored by colleges and universities (23%), school districts (17%), and the Minnesota Department of Education (3%). There are currently approximately 50 entities serving as sponsors/authorizers of Minnesota charter schools.

Nationally, research continues to assess the performance of charter schools relative to "regular" public schools. A report by the Thomas B. Fordham Institute that focused on "bad" schools found both traditional public schools and charter schools in Minnesota to be less successful than those in the other nine states analyzed at improving persistently low student performance.

According to the Fordham report, “Charter schools, despite having great operational autonomy, are no better at turnarounds than their district counterparts.”

In Minnesota, the charter school landscape is changing because of statutory provisions enacted in 2009 that shifted the responsibility for approval of charter schools from the Minnesota Department of Education (MDE) to authorizers. Authorizers must now be approved by MDE, and they in turn are responsible for approving charter schools. This change has proven to be a challenge; to date, few authorizers have been approved and others have decided not to seek approval as authorizers because of the ways in which the role has grown and intensified. This has left dozens of charter schools in an uncertain status for Fall 2011 and led the 2011 legislature to pass a bill, now signed into law by the Governor, extending the deadline by which existing sponsors must be approved as authorizers to July 1, 2012.

Another trend in Minnesota and across the nation is the growth of charter school management organizations (CSMOs), nonprofit entities whose sole mission is to start and manage charter schools. A national study of CSMOs is underway, conducted by Mathematica Policy Research and the Center on Reinventing Public Education and funded by the Gates and Walton Family Foundations. According to a preliminary report, CMOs are regionally concentrated; tend to emphasize students and school cultures; and are generally moderately to highly prescriptive in terms of curriculum, instructional techniques, human resource functions, and student behavior and support programs. Compared to traditional public schools, they tend to have longer school days and emphasize teacher accountability and performance-based rewards for teachers and principals. Challenges include meeting original growth targets; creating sufficient economies of scale to reduce reliance on philanthropic funders; and extending designs to serve high school students, retain their teachers, and collaborate effectively with school districts.

In Minnesota, there are only three approved authorizers identified as single purpose providers and thus precisely fitting the definition of charter school management organizations. However, the majority of the state’s charter schools are now sponsored/authorized by non-profit organizations, three of which sponsor large numbers of charter schools.

### **Charter Authorizers in the Minnesota State Colleges and Universities**

During the 2009-2010 academic year, three colleges within the Minnesota State Colleges and Universities System – Alexandria Technical College, Century College, and Rochester Community and Technical College – continued their sponsorship of a total of five charter schools. In addition, Anoka Technical College explored the establishment of a new charter school building from the model of the Secondary Technical Education Program (STEP) co-located with ATC.

A primary challenge facing sponsors in the past year is the work required to be approved as authorizers, consistent with recent statutory changes. The process of applying for approval is long and time-consuming; combined with the increased and therefore time and resource-intensive expectations of authorizers, institutions have given careful consideration to their future as authorizers. After considering these demands, two current sponsors (Rochester Community and Technical College and Alexandria Technical and Community College) have decided to continue their roles and are in the process of seeking approval as authorizers. The third, Century College, has decided to end its role as a sponsor and has been working diligently with its three “partner” schools to help them make a smooth transition to a new authorizer. Anoka Technical College was recently approved as an authorizer and is working toward the possible opening of a

new charter school. A review of the timeline and feasibility are currently underway. It remains clear that a close and mutually beneficial working relationship between a college or university and the school it authorizes is critical, especially in light of the significant financial and academic pressures faced by charter schools and the greater role now defined for authorizers.

### **Institutional Report Summaries, 2009-2010**

**Sponsor:** Alexandria Technical College

**School:** Lakes Area Charter School

**Location:** Osakis, MN

**Status of Sponsorship:** Continuing

**Sponsor Comments:** “With ongoing state withholding of allocated funds, it has been quite challenging for a small school such as LACS to keep the doors open. A substantial cut in the budget has, in part, negatively affected enrollment and caused the school to take on other debt load as its fund balance has been depleted. Staff positions have also been cut over the last few years, which has caused a high transfer rate and led to lower enrollment. To counteract this shift, LACS is in the process of applying for online certification which would provide a resource for additional enrollment and reinstatement of staff positions. ”

**School Mission and Programs:** It is the mission of the Lakes Area Charter School to provide quality education for the youth of the community for the purpose of accomplishing personal growth and academic excellence. The school program was designed to meet the needs of students who are not successful in the traditional setting. Program highlights include customized education designed to fit each student’s learning style and needs; Life Experiences designed to advance personal growth through cultural awareness activities and community involvement while introducing students to a variety of educational opportunities; access to Alexandria Technical College’s technology, library, and PSEO; and a degree program focused on helping students meet all required Minnesota Academic Standards and earn a high school diploma. LACS also has a credit recovery program that provides the opportunity for students who are behind to graduate on time and is researching project-based learning as a means to address the special needs of its student population.

**Enrollment:** In October 2009, enrollment was 61, which represented a decrease of 9 students compared to the previous year. Ninety-one percent of LACS students “open enrolled” from 13 surrounding school districts. Demographics are primarily white and male, but the gender distribution is becoming more equal. Thirty-six percent of the student population was enrolled in special education, an increase of six percent over the previous academic year. The school primarily serves students in grades 9-12 but is authorized to serve 7<sup>th</sup> and 8<sup>th</sup> grades and will do so beginning with the 2011-12 academic year. The addition of an online school, if approved, will provide access to students who find transportation difficult or who have physical or psychological limitations to formal attendance.

**Staff:** LACS employed seven licensed teachers and one administrator during 2009-10, as well as LeRoy Mackove, retired superintendent of Osakis High School, as a budgetary consultant.

**Board of Directors:** The elected board consists of three teachers and two parents/community members. A new policy of board election rotation will assure that there is always an experienced member on the board. LeRoy Mackove and Judi Anderson, ATCC authorizer representative, are ex-officio board members.

**Academic Progress.** Data used to evaluate student performance include graduation numbers, attendance data, and results of the state required tests in mathematics, written composition, and reading. This is problematic for LACS since the student population has not experienced

consistency in their academics and often arrive at LACS academically well below other comparably aged students in the state. AYP was achieved in reading proficiency but not in math, and the school was slightly below the state target of 90% for attendance. Overall student progress is measured using the standardized Test of Adult Basic Education (TABE), which is administered at the beginning of each school year and again in May at the end of the school year. All 31 students who took the TABE showed gains in their academic knowledge in at least one category. Lakes has an excellent graduation rate of 91.65%, which exceeds the state target of 80%.

**Audit Summary:** The audit report, prepared by Larson Allen, LLP, found that the financial statement represents fairly the financial status of the school. The only material weakness noted was a lack of segregation of duties, which the board works to address by reviewing and approving all expenditures at its monthly board meetings and making adjustments in accounting procedures and practices that limit the potential of material misstatements of annual financial statements. It was also recommended that the school retain all records for its scholarship fund in the future and set a limit on the number of years a scholarship can be claimed in order to free up the funds for other students who move on to higher education.

**Sponsor:** Century College

**School:** Twin Cities International Elementary School (TIES)

**Location:** 277 12<sup>th</sup> Avenue North, Minneapolis, MN

**Status of Sponsorship:** Ending in Summer 2011

**Sponsor Comments:** “During the 2010-2011 academic year, Century College has worked together with the boards and administrative leadership of TIES, MIMS and UBAH to transition the schools to a new authorizer. Our effort were necessarily delayed due to the need for the Minnesota Department of Education to develop its approved list of authorizers, but the three charter schools have now progressed to the point of submitting individual proposals to MDE in concert with their proposed new authorizer, Concordia University. These joint proposals are presently under review, and we anticipate that the Department will approve them prior to June 30. During this year of transition, Century staff (Dr. James Gross and Mr. Tom Black) have continued to participate in each school’s monthly board meetings and other school events. Century waived its usual fees for the 2010-2011 year.”

**School Mission and Programs:** The mission of TIES is to “provide a rigorous education in a culturally sensitive environment.” As such, it “seeks to prepare students for successful and productive lives as United States citizens while allowing them to retain their unique cultural heritage.”

**Enrollment:** Enrollment at TIES in 2009-2010 was 561, down about one percent compared to the previous year.

**Staff:** The TIES staff in 2009-2010 included 43 licensed positions, four administrators, 34 support staff employees, and 6 contractual service providers in areas focused on special education and related needs.

**Board of Directors:** The board consists of eleven members, including five teachers, four community members (two of whom are parents), and two ex-officio members (the sponsor liaison and school director).

**Academic Progress:** TIES students made AYP in both math and reading in 2009-2010, and students with limited English proficiency showed solid performance on required language assessments. The school offers specialized instruction in reading, math, language arts, science, social studies, Arabic, and physical education, uses Success For All for reading interventions, and offers an after school program to build reading and math skills. English as a Second

Language is offered to meet student needs to learn English at an academic level. Students whose first language is not English or in whose homes English is not spoken are tested on entrance to assist in their placement. The school has also implemented SIOP (Sheltered Instruction Operational Protocol) to ensure that the majority LEP student population can make grade level progress in content area knowledge while developing academic English skills. The school achieved an AYP attendance rate of 95% in 2009-2010.

**Audit Summary:** The annual audit for 2009-2010 was unqualified but did include three findings which have been addressed with management: a lack of documentation for federal payroll expenditures; deficiency in collateral for deposits; and inconsistent documentation for federal payroll expenditures.

**Sponsor:** Century College

**School:** Minnesota International Middle School (MIMS)

**Location:** 277 12<sup>th</sup> Avenue North, Minneapolis, MN

**Status of Sponsorship:** See above

**Sponsor Comments:** See above

**School Mission and Programs:** See description for TIES above.

**Enrollment:** Enrollment at MIMS remained generally steady at 319 in 2009-2010.

**Staff:** In 2009-2010, MIMS employed twenty-six teachers, including four each in grades 5, 6, 7, and 8; nine licensed to teach grades; and one in-house substitute. In addition, the school employs two administrators and an array of support staff, including education assistants and special education staff.

**Board of Directors:** The board consists of thirteen members, including five teachers, four community members, and three ex-officio members (two sponsor liaisons and the school director).

**Academic Progress:** MIMS achieved AYP status in 2009-2010 in both reading and mathematics. Students also demonstrated solid performance on the instruments required by the state to measure the language skills of students identified as having Limited English Proficiency. Specifically, 41% tested proficient in reading, compared to a state average of 22%, and 39% tested proficient in writing, compared to a statewide average of 30%, on TEAE, and 70% tested proficient on SOLOM compared to a statewide average of 61%. The school is currently working towards better analyzing student data in order to set appropriate student goals, monitor their progress toward those goals, and select appropriate interventions for students in areas where improvement is needed. The school is also updating its media center, providing more resources to improve reading skills, building effective parent involvement, increasing professional development for teaching staff, and building strong, programmatic collaborations with the community.

**Audit Summary:** The school's 2009-2010 annual audit was unqualified and found that MIMS complied in all material respects with compliance requirements; it included a single finding regarding audit adjustments, noting that this is a common finding for small to mid-size organizations dealing with the complexities of government accounting rules.

**Sponsor:** Century College

**School:** Ubah Medical Academy (UMA)

**Location:** 277 12<sup>th</sup> Avenue North, Minneapolis, MN

**Status of Sponsorship:** See above

**Sponsor Comments:** See above

**School Mission and Programs:** The mission of Ubah Medical Academy is to provide students with a rigorous education that will prepare them for college and the pursuit of medical or other meaningful careers in the community.

**Enrollment:** Enrollment in 2009-2010 was approximately 230, up slightly from 2008-2009. Nearly all of Ubah's students are black and East African and qualify for free and reduced lunch; fewer than half are identified as having Limited English Proficiency.

**Staff:** UMA had a staff of 19 teachers in 2009-2010, including three each in math and science and two each in language arts and social studies. The remaining teachers were in ESL (four) and special education (one).

**Board of Directors:** The board is made up of nine elected members, including four teachers, three community members, and two parents.

**Academic Progress:** Ubah made AYP in reading and mathematics in 2009-2010, though it did not meet its own ambitious AYP goals. Ubah's students also exceeded state targets on TEAE and SOLOM tests of language acquisition skills. In keeping with its focus on college preparation, the school is partnering with Admission Possible to help students with ACT preparation, college scholarships, and college applications; is offering several concurrent enrollment courses; and is participating with Century College's PACE program to provide students with a "head start" on college. Other learning opportunities provided to students include after school programs focused on academic, language, college prep, and computer applications; SIOP (Sheltered Instruction Observation Protocol); Accelerated Reading and Accelerated Math programs; and summer school. In 2009-2010, the school's graduation rate was 89% and its attendance rate was 95%.

**Audit Summary:** The school's annual audit for 2009-2010 was unqualified but did include two findings which are being addressed by the school: audit adjustments, which were noted as being common for small to mid-size entities, and inconsistent documentation for federal payroll expenditures.

**Sponsor:** Rochester Community and Technical College

**School:** Rochester Off Campus (ROC) Charter School

**Location:** Rochester, MN

**Status of Sponsorship:** Continuing

**Sponsor Comments:** "RCTC continues to enjoy and take pride in the mission and performance of ROC. ROC Charter High School assists young people in developing the life, work and academic skills necessary for transition to adulthood and the workplace. ROC satisfies its unique mission very well, and RCTC is more than pleased to assist in that mission."

**School Mission and Programs:** Rochester Off Campus was established "to assist young people in developing the life, work, and academic skills necessary for transition to adulthood and the workplace." It seeks to provide a safe and healthy learning community that nurtures educational rigor and engages students, parents, and the community in a partnership to that end.

**Enrollment:** Enrollment at ROC remained stable at 125 students in 2009-2010, enrolling students from 18 school districts. Of these students, 40% received special education services and 63% were eligible for free or reduced lunch. The school enjoys a strong gender balance, with an enrollment consisting of 49% female and 51% male students. Fifty-six percent of the school's 2010 graduates were enrolled in postsecondary institutions in 2010-2011, and 100 percent of students surveyed expect to graduate from high school.

**Staff:** The staff of ROC consisted of 12 licensed teachers, with 100% retention from 2008-2009 to 2009-2010.

**Board of Directors:** The school has a nine member board, made up of four teachers, four community members, and one parent, and a representative of Rochester Community and Technical College serves ex-officio.

**Academic Progress:** ROC focuses on three primary benchmarks – NWEA’s Measure of Academic Progress (MAP), the Minnesota Comprehensive Assessments (MCAs), and attendance. The MCA scores showed a decline over the past several years and ROC was placed on Intervention Level Two due to concerns over graduation rates. A Quality Review Report was coordinated by Ian Nelson of Cambridge Education for the Minnesota Department of Education, resulting in a favorable report and ROC’s removal from Intervention Level Two. The school is now pursuing new, specific goals for achievement and improvements. One goal is to increase individual student’s RIT scores in mathematics on NWEA/MAP. Scores did increase from Fall 2009 to Spring 2010 in reading (from 221.1 to 222.6) and math (from 228.2 to 233.6). On a second goal, to promote individual students’ awareness of scores, the meaning of scores, assets and deficits, staff convened goal setting sessions with students resulting in the completion and implementation of goal plans for each student. In addition, all students and staff participate in an “advisory” each morning and afternoon, and each student has a “student success plan” that provides a template for informally assessing and tracking each student’s impression or evaluation of their goals and values in six key categories. In regards to the attendance goal, ROC reported daily attendance at or above 83 percent, with an average of eight days missed per student that year compared to an average of 21 days per year per student during the last semester at the students’ previous schools.

**Audit Summary:** The school had a “clean” audit in 2009-2010, continued to maintain an exceptionally strong financial structure, and increased its fund balance despite unstable economic conditions.